Myths and Realities of 100-Percent Scanning
Tuesday, 02 May 2006

WASHINGTON, D.C. – Debate has swirled in recent weeks around Democratic efforts to make 100-percent scanning of shipping containers the policy in the United States. Two amendments based on the Congressman Nadler’s S.O.S. Act came before major committees in April, and the legislation will be offered again on the House floor tomorrow.

Fearful that 100-percent scanning – a key Democratic priority – will be enacted, industry lobbyists and Republicans opposed to the policy have been circulating mistruths about the legislation. Congressman Nadler released the following document today, detailing the myths and realities of the S.O.S. Act.

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Reality: The necessary technology exists and is ready for deployment.

Reality: The cost is manageable.

Reality: The SOS Act is grounded in the successful Honk Kong pilot program.

Reality: Scanning every container is time-efficient.

Reality: Scanning every container is not a “pie in the sky” idea.

Reality: The SOS Act clearly defines what “scan” means.

Reality: Proponents of the SOS Act lay out a clear strategy for container scanning.

Reality: The SOS bill gives DHS leeway with implementation for a reason.

Reality: Sponsors of the SOS Act support full hearings on the legislation.

Myth: The technology does not exist.

Reality: The technology certainly does exist, but the Department of Homeland Security hasn’t shown much interest in it. Already, at two terminals in Hong Kong, all containers are scanned for radiation and density. But the images generated are stored, and not analyzed, because DHS has not asked to review them. It easily could. General Electric produces tamperproof seals that inform monitors, in real time, if containers have been tampered with. Representatives from GE came to Capitol Hill recently to demonstrate this technology.

Myth: Scanning every container would be too expensive and would adversely impact the economy.

Reality: The cost to scan each container is only about $6.50. The total startup cost to purchase and install the scanning equipment worldwide is estimated to be about $1.3 to $1.5 billion. Foreign ports can recover this cost by charging about $25 per container for five years. This is a drop in the bucket given that it costs about $4000 to ship a container from Asia to the United States, and that a container might hold $50,000-$200,000 worth of goods. The cost is so minimal that it could be folded into the cost of doing business and the consumer would never even notice. On the other hand, if we do not scan every container, and our ports are used to smuggle a nuclear weapon, the cost to the economy could be in the trillions of dollars.

Myth: The ICIS pilot program in Hong Kong is a promising program that should be expanded, but the SOS Act is based on other ideas.

Reality: It is precisely the ICIS program that the SOS Act seeks to replicate at all ports that ship goods to the U.S. The SOS Act establishes a framework for DHS to set scanning standards and work with foreign governments, terminal operators and shippers to implement the system. The SOS Act will force the Administration to take seriously the issue of container security and act quickly to get the scanning system in place. If you believe that the ICIS program is the right direction for container security, than you should support the SOS Act.

Myth: Scanning every container takes too much time and will create too long a delay in the movement of goods.

Reality: The container can be scanned as it is driven into the terminal. It takes only seconds. The ICIS program in Hong Kong proves that every container can be scanned without causing any delays.

Myth: Scanning every container is a “pie in the sky” idea.

Reality: The following is an excerpt from New York Times op-ed written by port security expert Stephen Flynn and James Loy, the former deputy secretary of homeland security and commandant of the Coast Guard:

 “Since the United States cannot own and control all of that system, we must work with our trade partners and foreign companies to ensure its security. A major step in that direction would be to construct a comprehensive global container inspection system that scans the contents of every single container destined for America's waterfront before it leaves a port — rather than scanning just the tiny percentage we do now.

 This is not a pie-in-the-sky idea [emphasis added]. Since January 2005, every container entering the truck gates of two of the world's busiest container terminals, in Hong Kong, has passed through scanning and radiation detection devices. Images of the containers' contents are then stored on computers so that they can be scrutinized by American or other customs authorities almost in real time. Customs inspectors can then issue orders not to load a container that worries them. The Department of Homeland Security has greeted this private-sector initiative with only tepid interest.

Myth: The SOS bill requires that each container be scanned, but it does not define what “scan” means.

Reality: The SOS Act specifies that containers must be scanned for radiation and density (i.e. gamma rays), which is how scans are taken at the port operations in Hong Kong as part of the Integrated Container Inspection System (ICIS) pilot program. The bill allows the scanning standards to be updated as new technology becomes available so that we can continue to do the job in the best manner possible.

Myth: Proponents of the SOS Act do not articulate a clear strategy for container scanning.

Reality: Although the legislation may not spell out every detail, we do have a vision for how the system would work based on the ICIS program, and comments from port security experts. Because it is improbable that American security officials could be placed at every single port, and because the scans would have to be reviewed quickly, we expect that the scans would be taken by security personnel in foreign ports, stored on a computer, and transmitted in almost real-time to American personnel in the U.S. Obviously, DHS will determine if the scan raises a red flag about a container, and DHS can tell security personnel in the port to inspect the container further before allowing it to be loaded on a ship bound for

the U.S. We believe that United States government should have the flexibility to determine if a scan displays a security risk, based on their expertise and the latest intelligence information. We would not presume to outline which scans may pose a risk, and we do not believe the private sector should do so either.

Myth: The SOS bill does not identify who is to do the scanning, how the scans would be transmitted or who is to make judgments about what to do with the scans.

Reality: DHS will set the scanning standards and will have to address some of the logistics of how the scans are to be taken and transmitted to U.S. government officials. We intentionally gave DHS flexibility to work out implementation with foreign governments, particularly because port operations are not the same in every single country and at every single port. In fact, while opponents of the bill claim it is not specific enough, they also claim that the bill is too rigid and ignores international cooperation in the implementation of these measures. Both cannot be true. The SOS Act balances the need to give DHS direction to force them to carry out container security measures aggressively, while at the same time granting DHS discretion to work out implementation with foreign governments, review technology, and constantly update the scanning and seal standards when necessary. We give DHS some discretion, but we set the bar high to make sure that DHS takes every measure possible to protect the American people.

Myth: No hearings have been held on the SOS Act and the issues raised in the bill haven’t been properly addressed.

Reality: We fully support holding hearings on the SOS Act, and we urge our Republican colleagues in the majority to hold as many hearings as possible on the bill. Several hearings have been held on port security, however, and many of the issues addressed in the SOS Act have been discussed in these hearings. For example, the bill was specifically addressed by port security expert Stephen Flynn in testimony before the Transportation Committee, as well as by members of the shipping industry in the Homeland Security Committee. We believe there is an urgent need to address vulnerabilities in our port security system, and we will take every opportunity possible to advance legislation. We will not give in to delay tactics when our ports are vulnerable to exploitation by terrorists.

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